

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7897

BILL NUMBER: SB 511

NOTE PREPARED: Jan 24, 2003

BILL AMENDED: Jan 23, 2003

SUBJECT: Sale of Gasoline Below Cost

FIRST AUTHOR: Sen. Waterman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits the selling of gasoline at a price lower than the retailer's cost plus one and one-half percent. It authorizes the Attorney General to investigate suspected violations, to institute legal action, and to seek injunctive relief and civil penalties. The bill limits a civil penalty to \$1,000 per incident.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This proposal will mean additional staff time and travel to investigate suspected violations. As of 2001, there were 3,259 fuel stations in the state with 44,768 fuel pumps. Depending upon the number of suspected violations and investigations, the Attorney General may require additional staff to implement the provisions of this proposal.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of December 2002, the Attorney General's office listed 278 full-time employees. The January 20, 2003, staffing table revealed 56 budgeted vacant positions with annual salaries totaling \$1,527,734. The fund affected is the state General Fund. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: The bill limits a civil penalty to \$1,000 per incident, with the revenue deposited into the state General Fund. The specific revenue over time will depend upon the number convictions.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General.

Local Agencies Affected:

Information Sources:

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